

Message Text

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FM EMBASSY LAGOS

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AMEMBASSY LONDON

AMCONSUL IBADAN

AMCONSUL KADUNA

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E.O. 11652: N/A

TAGS: OVIP, EINV, ECRE, BENC, BTIO, BFOL, PFOR, NI

SUBJECT: NIGERIAN JOINT VENTURE CONSTRUCTION COMPANIES:

VISIT OF PERMMANENT SECRETARIES

REF: USDOC 13697 AND PREIOUSE (NOTAL)

SUMMARY: CONSERVATIONS WITH THREE MEMBERS DELEGATION INDICATE THAT THINKING STILL VERY MUCH PRELIMINARY BUT THAT AS MANY AS THREE STATE CONSTRUCTION COMPANIES ENVISIONED FOR WORK IN VIRTUALLY ALL PHASES NIGEIAN DEVELOPMENT PLAN, NOT RPT NOT ONLY THE HIGH PRIORITY IRON/STEEL COMPLEX. CONTACTS ALLUDED TO IRRIGATION, AIRPORTS, ROADS, HYDRO, TEC.THEREFORE QUALIFIED FIRMS INTERESTED IN PROJECTS OTHER THAN STEEL MILL SHOULD SEE DELEGATION. PERMSEC USMAN (WORKS) MENTIONED THAT U.S. ALMOST BYPASSED BECAUSE NIGERIANS HAD IMPRESSION AMERICAN CONSTRUCTION FIRMS NOT RPT NOT INTERESTED IN NIGERIA. IN STATEMENT WHICH FIRMS SHOULD INVESTIGATE FURTHER, USMAN SAID HIS MINISTRY WILL RETAIN MANAGEMENT ITS PROJECTS (MAINLY ROADS AN PUBLIC BUILDINGS), FARMING OUT DESIGN AND CONSTRUCTION.

1. AFTER CONVERSATION (LAGOS) 9137) WITH PERSEC JODA (INDUSTRIES, INCLUDING STEEL MILLS), EMBASSY LEARNED THAT PERMSEC IBIE (TRANSPORTATION) ON LEAVE BUT HAD MEETINGS WITH M.T. USMAN (WORKS) AND ALHAJI S. ILIASU (WATER RESOURCES). OVERALL INPRESSION IS THAT AOFFICIAL THINKING HAS ADVANCED NO FURTHER THAN CONCEPT CONTAINED
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LAGOS 9020. NUMBER OF STATE JOINT VENTURE CONSTRUCTION COMPANIES

UNDECIDED BUT ONE PERMSEC THOUGHT THERE COULD BE THREE. KIKE HODA, WHOSE MINISTRY HAS PRIMARY RESPONSIBILITY FOR IRON/STEEL MILLS, USMAN AND ILIASU SAID COMPANIES WOULD HANDLE MANY OTHER DEVELOPMENT PLAN PROJECTS BUT FROM LATTER WE GAINED IMPRESSION THAT AT LEAST SOME OF OTHER PROJECTS WILL COMMENCESAME TIME AS IRON/STEEL COMPLEX, RATHER THAN AFTER IT. THIS MEANS (1) COMPANIES INTERESTED IN PROJECTS OTHER THAN STEEL SHOULD SEE DELEGATION (2) SINCE DETAILED APPROACH NOT FORMULATED, FIRMS, SHOULD FEEL FREE TO MAKE SUGGESTIONS AS TO HOW TO ACHIEVEDELEGATION'S OBJECTIVES.

2. PERMSEC USMAN APOLOGIZED FOR " LAST MINUTE" DECISION TO MAKE TRIP AND REEMPHASIZED PERMSEC JODA'S WORDS THAT GROUP WANTS TO MEET LARGE CONSTRUCTION COMPANIES ON SATURDAY AND SUNDAY AS WELL AS ON WEEKDAYS. USMAN WROTE DIRECTLY TO DRAVO BECAUSE COMPANY ONLY AMERICAN COMPANY HE COULD RECALL THAT HAD EXPRESSED INTEREST (2 OR 3 YEARS AGO) IN ONE OF HIS MINISTRY'S PROJECTS. USMAN MADE SEVERAL POINTS COMPANIES SHOULD EXPLORE FURTHER: (1) HIS MINISTRY IS CAPABLE AND DESIROUS RETAINING PROJECT MANAGEMENT ROLE ITS PROJECTS, CONTRACTING OUT DESIGN AND CONSTRUCTION: (2) IN REVERSAL HIS MINISTRY' S FORMER POLICY, HE PREPARED TO DISCUSS HANDLING NATIONAL HIGHWAY BUILDING PROGRAM IN LARGE CHUNKS RATHER THAN PRESENT PIECEMEAL FASHION OF 50- OR 100-MILE SEGMENTS(SEE P. 401, VOL. 1, DEVELOPMENT PLAN); (3) ENVISIONED JOINT VENTURES WOULD HANDLE THE NEW WARRI-AJAKUTA RAILROAD LINE PLANNED FOR THE STEEL COMPLEX (RAILWAYS CORPORATION ALREADY ISSUED AND RECEIVED BID ON THIS UNDER IT SYSTEM MODERNIZATION PROJECT); (4) AS REPORTED SEPTEL, LAST MONTH'S PREQUALIFICATION NOTICE FOR IRON/STEEL PLANT INFRASTRUCTURE (LAGOS 8228) SHOULD BE IGNORED AS ENVISIONED JOINT VENTURES WILL HANDLE THIS: (5) AMONG OTHER PROJECTS ENVISIONED FOR JOINT VENTURES ARE HYDRO PROJECTS AT JEBBA AN ONE ABOUT 1980 AT LOKOJA, "TWICE AS BIG AS KAINJI".

3. PERMSEC ILIASU HAD NOT SPECIFIC PROJECTS IN MIND IMMEDIATE FUTURE BUT SAID ENVISIONED JOINT VENTURES WOULD WORK WITH 10 NEW RIVERS BASIN DEVELOPMENT AUTHORITIES HIS MINISTRY SETTING UP AS STATUTORY CORPORATIONS TO UNDERTAKE FLOOD AND EROSION CONTROL, IRRIGATION, DRAINAGE, DAMS, ETC. THESE AUTHORITIES SEEM TO COVER ALL OF NIGERIA'S RIVERBASINS, INCLUDING SOKOTO-RIMA, HADEJIA-JAMA'ARE, CHAD, UPPEE BENUE, LOWER BENUE, CROSS RIVER, ANAMBRA-IMO, NIGER RIVER, OGUN-OSHUN AND BENIN RIVER. ONLY THREE UNCLASSIFIED

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AUTHORITIES ESTABLISHED, OTHERS WILL TAKE SOME TIME TO SET UP . ILIASU SAID BREVITY OF VISIT PREVENTS HIM FROM MAKING CALLS IN CONNECTION WITH WATER RESOURCES DEVELOPMENT. HOWEVER , HE RESPOND POSITIVELY TO OUR SUGGESTION THAT HE MAKE SEPARATE TRIP WITH HIS COMMISSIONER AS PART OF EMBASSY'S INVITED VISITOR PROGRAM. WE AGREED ON APRIL 1976 AS BEST TIME.

4. ACTION REQUESTED:

A. ILIASU MADE SPECIAL REQUEST THAT COMMERCE ARRANGE A MEETING FOR HIM MONDAY AUGUST 23 WITH THE APPROPRIATE WASHINGTON OFFICE OR AGENCY (PRESUMABLY WITHIN DEPARTMENT OF INTERIOR) RESPONSIBLE FOR WATER RESOURCES DEVELOPMENT OR COORDINATION IN U.S.

B. APPOINTMENTS WHICH COMMERCE IS ABLE ARRANGE FOR THE GROUP SHOULD BE TRANSMITTED TO ECONOMIC COUNSELOR OF NIGERIAN EMBASSY WASHINGTON FOR TRANSMISSION TO GROUP ON ITS ARRIVAL EVENING AUGUST 20.
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